

AMENDMENT TO THE SENATE AMENDMENT TO
H.J. RES. 66
OFFERED BY M _____

The House concurs in the Senate Amendment to H.J. Res. 66 with the following amendment:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the resolution, insert the following:

1 SECTION 1. SHORT TITLE; ETC.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Middle Class Tax Cut Act”.

4 (b) AMENDMENT OF 1986 CODE.—Except as other-
5 wise expressly provided, whenever in this Act an amend-
6 ment or repeal is expressed in terms of an amendment
7 to, or repeal of, a section or other provision, the reference
8 shall be considered to be made to a section or other provi-
9 sion of the Internal Revenue Code of 1986.

10 (c) TABLE OF CONTENTS.—The table of contents of
11 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

Sec. 101. Temporary extension of 2001 tax relief.

Sec. 102. Temporary extension of 2003 tax relief.

Sec. 103. Temporary extension of 2010 tax relief.

Sec. 104. Temporary extension of election to expense certain depreciable business assets.

TITLE II—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 201. Temporary extension of increased alternative minimum tax exemption amount.

Sec. 202. Temporary extension of alternative minimum tax relief for nonrefundable personal credits.

TITLE III—TREATMENT FOR PAYGO PURPOSES

Sec. 301. Treatment for PAYGO purposes.

TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

SEC. 101. TEMPORARY EXTENSION OF 2001 TAX RELIEF.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Section 901(a)(1) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “December 31, 2012” and inserting “December 31, 2013”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

(b) APPLICATION TO CERTAIN HIGH-INCOME TAX- PAYERS.—

(1) INCOME TAX RATES.—

(A) TREATMENT OF 25- AND 28-PERCENT RATE BRACKETS.—Paragraph (2) of section 1(i) is amended to read as follows:

1 “(2) 25- AND 28-PERCENT RATE BRACKETS.—

2 The tables under subsections (a), (b), (c), (d), and
3 (e) shall be applied—

4 “(A) by substituting ‘25%’ for ‘28%’ each
5 place it appears (before the application of sub-
6 paragraph (B)), and

7 “(B) by substituting ‘28%’ for ‘31%’ each
8 place it appears.”.

9 (B) 33-PERCENT RATE BRACKET.—Sub-
10 section (i) of section 1 is amended by redesignig-
11 nating paragraph (3) as paragraph (4) and by
12 inserting after paragraph (2) the following new
13 paragraph:

14 “(3) 33-PERCENT RATE BRACKET.—

15 “(A) IN GENERAL.—In the case of taxable
16 years beginning after December 31, 2012—

17 “(i) the rate of tax under subsections
18 (a), (b), (c), and (d) on a taxpayer’s tax-
19 able income in the fourth rate bracket shall
20 be 33 percent to the extent such income
21 does not exceed an amount equal to the ex-
22 cess of—

23 “(I) the applicable amount, over

24 “(II) the dollar amount at which
25 such bracket begins, and

1 “(ii) the 36 percent rate of tax under
2 such subsections shall apply only to the
3 taxpayer’s taxable income in such bracket
4 in excess of the amount to which clause (i)
5 applies.

6 “(B) APPLICABLE AMOUNT.—For purposes
7 of this paragraph, the term ‘applicable amount’
8 means the excess of—

9 “(i) the applicable threshold, over

10 “(ii) the sum of the following amounts
11 in effect for the taxable year:

12 “(I) the basic standard deduction
13 (within the meaning of section
14 63(c)(2)), and

15 “(II) the exemption amount
16 (within the meaning of section
17 151(d)(1)) (or, in the case of sub-
18 section (a), 2 such exemption
19 amounts).

20 “(C) APPLICABLE THRESHOLD.—For pur-
21 poses of this paragraph, the term ‘applicable
22 threshold’ means—

23 “(i) \$250,000 in the case of sub-
24 section (a),

1 “(ii) \$225,000 in the case of sub-
2 section (b),

3 “(iii) \$200,000 in the case of sub-
4 sections (c), and

5 “(iv) $\frac{1}{2}$ the amount applicable under
6 clause (i) (after adjustment, if any, under
7 subparagraph (E)) in the case of sub-
8 section (d).

9 “(D) FOURTH RATE BRACKET.—For pur-
10 poses of this paragraph, the term ‘fourth rate
11 bracket’ means the bracket which would (deter-
12 mined without regard to this paragraph) be the
13 36-percent rate bracket.

14 “(E) INFLATION ADJUSTMENT.—For pur-
15 poses of this paragraph, with respect to taxable
16 years beginning in calendar years after 2012,
17 each of the dollar amounts under clauses (i),
18 (ii), and (iii) of subparagraph (C) shall be ad-
19 justed in the same manner as under paragraph
20 (1)(C), except that subsection (f)(3)(B) shall be
21 applied by substituting ‘2008’ for ‘1992’.”.

22 (2) PHASEOUT OF PERSONAL EXEMPTIONS AND
23 ITEMIZED DEDUCTIONS.—

24 (A) OVERALL LIMITATION ON ITEMIZED
25 DEDUCTIONS.—Section 68 is amended—

1 (i) by striking “the applicable
2 amount” the first place it appears in sub-
3 section (a) and inserting “the applicable
4 threshold in effect under section 1(i)(3)”,

5 (ii) by striking “the applicable
6 amount” in subsection (a)(1) and inserting
7 “such applicable threshold”,

8 (iii) by striking subsection (b) and re-
9 designating subsections (c), (d), and (e) as
10 subsections (b), (c), and (d), respectively,
11 and

12 (iv) by striking subsections (f) and
13 (g).

14 (B) PHASEOUT OF DEDUCTIONS FOR PER-
15 SONAL EXEMPTIONS.—

16 (i) IN GENERAL.—Paragraph (3) of
17 section 151(d) is amended—

18 (I) by striking “the threshold
19 amount” in subparagraphs (A) and
20 (B) and inserting “the applicable
21 threshold in effect under section
22 1(i)(3)”,

23 (II) by striking subparagraph (C)
24 and redesignating subparagraph (D)
25 as subparagraph (C), and

1 (III) by striking subparagraphs
2 (E) and (F).

3 (ii) CONFORMING AMENDMENTS.—
4 Paragraph (4) of section 151(d) is amend-
5 ed—

6 (I) by striking subparagraph (B),
7 (II) by redesignating clauses (i)
8 and (ii) of subparagraph (A) as sub-
9 paragraphs (A) and (B), respectively,
10 and by indenting such subparagraphs
11 (as so redesignated) accordingly, and
12 (III) by striking all that precedes
13 “in a calendar year after 1989,” and
14 inserting the following:

15 “(4) INFLATION ADJUSTMENT.—In the case of
16 any taxable year beginning”.

17 (c) EFFECTIVE DATE.—Except as otherwise pro-
18 vided, the amendments made by this section shall apply
19 to taxable years beginning after December 31, 2012.

20 (d) APPLICATION OF EGTRRA SUNSET.—Each
21 amendment made by subsection (b) shall be subject to title
22 IX of the Economic Growth and Tax Relief Reconciliation
23 Act of 2001 to the same extent and in the same manner
24 as if such amendment was included in title I of such Act.

1 **SEC. 102. TEMPORARY EXTENSION OF 2003 TAX RELIEF.**

2 (a) EXTENSION.—

3 (1) IN GENERAL.—Section 303 of the Jobs and
4 Growth Tax Relief Reconciliation Act of 2003 is
5 amended by striking “December 31, 2012” and in-
6 serting “December 31, 2013”.

7 (2) EFFECTIVE DATE.—The amendment made
8 by this subsection shall take effect as if included in
9 the enactment of the Jobs and Growth Tax Relief
10 Reconciliation Act of 2003.

11 (b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN
12 HIGH INCOME INDIVIDUALS.—

13 (1) IN GENERAL.—Paragraph (1) of section
14 1(h) is amended by striking subparagraph (C), by
15 redesignating subparagraphs (D) and (E) as sub-
16 paragraphs (E) and (F) and by inserting after sub-
17 paragraph (B) the following new subparagraphs:

18 “(C) 15 percent of the lesser of—

19 “(i) so much of the adjusted net cap-
20 ital gain (or, if less, taxable income) as ex-
21 ceeds the amount on which a tax is deter-
22 mined under subparagraph (B), or

23 “(ii) the excess (if any) of—

24 “(I) the amount of taxable in-
25 come which would (without regard to

1 this paragraph) be taxed at a rate
2 below 36 percent, over

3 “(II) the sum of the amounts on
4 which a tax is determined under sub-
5 paragraphs (A) and (B),

6 “(D) 20 percent of the adjusted net capital
7 gain (or, if less, taxable income) in excess of the
8 sum of the amounts on which tax is determined
9 under subparagraphs (B) and (C),”.

10 (2) MINIMUM TAX.—Paragraph (3) of section
11 55(b) is amended by striking subparagraph (C), by
12 redesignating subparagraph (D) as subparagraph
13 (E), and by inserting after subparagraph (B) the
14 following new subparagraphs:

15 “(C) 15 percent of the lesser of—

16 “(i) so much of the adjusted net cap-
17 ital gain (or, if less, taxable excess) as ex-
18 ceeds the amount on which tax is deter-
19 mined under subparagraph (B), or

20 “(ii) the excess described in section
21 1(h)(1)(C)(ii), plus

22 “(D) 20 percent of the adjusted net capital
23 gain (or, if less, taxable excess) in excess of the
24 sum of the amounts on which tax is determined
25 under subparagraphs (B) and (C), plus”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) The following provisions are each amended
3 by striking “15 percent” and inserting “20 per-
4 cent”:

5 (A) Section 531.

6 (B) Section 541.

7 (C) Section 1445(e)(1).

8 (D) The second sentence of section
9 7518(g)(6)(A).

10 (E) Section 53511(f)(2) of title 46, United
11 States Code.

12 (2) Sections 1(h)(1)(B) and 55(b)(3)(B) are
13 each amended by striking “5 percent (0 percent in
14 the case of taxable years beginning after 2007)” and
15 inserting “0 percent”.

16 (3) Section 1445(e)(6) is amended by striking
17 “15 percent (20 percent in the case of taxable years
18 beginning after December 31, 2010)” and inserting
19 “20 percent”.

20 (d) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as otherwise pro-
22 vided, the amendments made by subsections (b) and
23 (c) shall apply to taxable years beginning after De-
24 cember 31, 2012.

1 (2) WITHHOLDING.—The amendments made by
2 paragraphs (1)(C) and (3) of subsection (c) shall
3 apply to amounts paid on or after January 1, 2013.

4 (e) APPLICATION OF JGTRRA SUNSET.—Each
5 amendment made by subsections (b) and (c) shall be sub-
6 ject to section 303 of the Jobs and Growth Tax Relief
7 Reconciliation Act of 2003 to the same extent and in the
8 same manner as if such amendment was included in title
9 III of such Act.

10 **SEC. 103. TEMPORARY EXTENSION OF 2010 TAX RELIEF.**

11 (a) AMERICAN OPPORTUNITY TAX CREDIT.—

12 (1) IN GENERAL.—Section 25A(i) is amended
13 by striking “or 2012” and inserting “2012, or
14 2013”.

15 (2) TREATMENT OF POSSESSIONS.—Section
16 1004(c)(1) of division B of the American Recovery
17 and Reinvestment Tax Act of 2009 is amended by
18 striking “and 2012” each place it appears and in-
19 serting “2012, and 2013”.

20 (b) CHILD TAX CREDIT.—Section 24(d)(4) is amend-
21 ed—

22 (1) by striking “AND 2012” in the heading and
23 inserting “2012, AND 2013”, and

24 (2) by striking “or 2012” and inserting “2012,
25 or 2013”.

1 (c) EARNED INCOME TAX CREDIT.—Section 32(b)(3)

2 is amended—

3 (1) by striking “AND 2012” in the heading and

4 inserting “2012, AND 2013”, and

5 (2) by striking “or 2012” and inserting “2012,

6 or 2013”.

7 (d) TEMPORARY EXTENSION OF RULE DIS-

8 REGARDING REFUNDS IN THE ADMINISTRATION OF FED-

9 ERAL PROGRAMS AND FEDERALLY ASSISTED PRO-

10 GRAMS.—Subsection (b) of section 6409 is amended by

11 striking “December 31, 2012” and inserting “December

12 31, 2013”.

13 (e) EFFECTIVE DATES.—

14 (1) IN GENERAL.—Except as provided in para-

15 graph (2), the amendments made by this section

16 shall apply to taxable years beginning after Decem-

17 ber 31, 2012.

18 (2) RULE DISREGARDING REFUNDS IN THE AD-

19 MINISTRATION OF CERTAIN PROGRAMS.—The

20 amendment made by subsection (d) shall apply to

21 amounts received after December 31, 2012.

22 **SEC. 104. TEMPORARY EXTENSION OF ELECTION TO EX-**

23 **PENSE CERTAIN DEPRECIABLE BUSINESS AS-**

24 **SETS.**

25 (a) IN GENERAL.—

1 (1) DOLLAR LIMITATION.—Section 179(b)(1) is
2 amended—

3 (A) by striking “and” at the end of sub-
4 paragraph (C),

5 (B) by redesignating subparagraph (D) as
6 subparagraph (E),

7 (C) by inserting after subparagraph (C)
8 the following new subparagraph:

9 “(D) \$250,000 in the case of taxable years
10 beginning in 2013, and”, and

11 (D) in subparagraph (E), as so redesign-
12 ated, by striking “2012” and inserting
13 “2013”.

14 (2) REDUCTION IN LIMITATION.—Section
15 179(b)(2) is amended—

16 (A) by striking “and” at the end of sub-
17 paragraph (C),

18 (B) by redesignating subparagraph (D) as
19 subparagraph (E),

20 (C) by inserting after subparagraph (C)
21 the following new subparagraph:

22 “(D) \$800,000 in the case of taxable years
23 beginning in 2013, and”, and

1 (D) in subparagraph (E), as so redesign-
2 nated, by striking “2012” and inserting
3 “2013”.

4 (b) COMPUTER SOFTWARE.—Section
5 179(d)(1)(A)(ii) is amended by striking “2013” and in-
6 serting “2014”.

7 (c) ELECTION.—Section 179(c)(2) is amended by
8 striking “2013” and inserting “2014”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2012.

12 **TITLE II—ALTERNATIVE** 13 **MINIMUM TAX RELIEF**

14 **SEC. 201. TEMPORARY EXTENSION OF INCREASED ALTER-** 15 **NATIVE MINIMUM TAX EXEMPTION AMOUNT.**

16 (a) IN GENERAL.—Paragraph (1) of section 55(d) is
17 amended—

18 (1) by striking “\$72,450” and all that follows
19 through “2011” in subparagraph (A) and inserting
20 “\$78,750 in the case of taxable years beginning in
21 2012”, and

22 (2) by striking “\$47,450” and all that follows
23 through “2011” in subparagraph (B) and inserting
24 “\$50,600 in the case of taxable years beginning in
25 2012”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2011.

4 **SEC. 202. TEMPORARY EXTENSION OF ALTERNATIVE MIN-**
5 **IMUM TAX RELIEF FOR NONREFUNDABLE**
6 **PERSONAL CREDITS.**

7 (a) IN GENERAL.—Paragraph (2) of section 26(a) is
8 amended—

9 (1) by striking “or 2011” and inserting “2011,
10 or 2012”, and

11 (2) by striking “2011” in the heading thereof
12 and inserting “2012”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2011.

16 **TITLE III—TREATMENT FOR**
17 **PAYGO PURPOSES**

18 **SEC. 301. TREATMENT FOR PAYGO PURPOSES.**

19 The budgetary effects of this Act shall not be entered
20 on either PAYGO scorecard maintained pursuant to sec-
21 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

